

1 74. Defendants owed a fiduciary duty to Tekelec to supervise the
2 issuance of the Company's press releases and public filings to ensure that they
3 were truthful and accurate and that such filings conformed to applicable securities
4 laws. Defendants, however, breached their fiduciary duties by failing to properly
5 supervise and monitor the adequacy of Tekelec's internal controls and by allowing
6 the Company to issue and disseminate misleading statements and filings.

7 75. Defendants have engaged in a sustained and systematic failure to
8 exercise their oversight responsibilities and to ensure that Tekelec complied with
9 applicable laws, rules and regulations.

10 76. As members of the Tekelec Board, the Individual Defendants were
11 directly responsible for authorizing, permitting the authorization of, or failing to
12 monitor the practices that resulted in violations of applicable laws as alleged
13 herein. Each of them had knowledge of and actively participated in, approved,
14 and/or acquiesced in the wrongdoing alleged herein or abdicated his or her
15 responsibilities with respect to this wrongdoing. The alleged acts of wrongdoing
16 have subjected the Company to unreasonable risks of loss and expenses.

17 77. Each of defendants' acts in causing or permitting the Company to
18 disseminate material misrepresentations and omissions to the investing public and
19 abdicating his or her oversight responsibilities to the Company have subjected the
20 Company to liability for violations of applicable laws, and therefore were not the
21 product of a valid exercise of business judgment, constituting a complete
22 abdication of their duties as officers and/or directors of the Company. As a result
23 of defendants' breaches, Tekelec is the subject of a major securities fraud class
24 action lawsuit by defrauded investors, and the Company's reputation in the
25 business community and financial markets has been irreparably tarnished.
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COUNT II
(AGAINST THE INDIVIDUAL DEFENDANTS FOR GROSS
MISMANGEMENT)

78. Plaintiff incorporates by reference each of the preceding paragraphs as though they were set forth in full herein.

79. Defendants had a duty to Tekelec and its shareholders to prudently supervise, manage, and control the operations, business, and internal financial accounting and disclosures of the Company. Defendants, however, by their actions and by engaging in the wrongdoing alleged herein, abandoned and abdicated their responsibilities and duties with regard to prudently managing the business of Tekelec in a manner consistent with the duties imposed upon them by law. By committing the misconduct alleged herein, defendants breached their duties of due care, diligence, and candor in the management and administration of Tekelec's affairs and in the use and preservation of the Company's assets.

80. During the course of the discharge of their duties, defendants were aware of the unreasonable risks and losses associated with their misconduct. Nevertheless, defendants caused Tekelec to engage in the scheme described herein which they knew had an unreasonable risk of damage to the Company, thus breaching their duties to the Company. As a result, defendants grossly mismanaged Tekelec, thereby causing damage to the Company.

COUNT III
(AGAINST THE INDIVIDUAL DEFENDANTS FOR CONTRIBUTION
AND INDEMNIFICATION)

81. Plaintiff incorporates by reference each of the preceding paragraphs as though they were set forth in full herein.

1 82. Tekelec is alleged to be liable to various persons, entities and/or
2 classes by virtue of the facts alleged herein that give rise to defendants' liability to
3 the Company.

4 83. Tekelec's alleged liability on account of the wrongful acts, practices,
5 and related misconduct alleged arises, in whole or in part, from the knowing,
6 reckless, disloyal and/or bad faith acts or omissions of defendants, and the
7 Company is entitled to contribution and indemnification from each defendant in
8 connection with all such claims that have been, are, or may in the future be
9 asserted against Tekelec, by virtue of the Individual Defendants' misconduct.

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11 **COUNT IV**
12 **(AGAINST THE INDIVIDUAL DEFENDANTS FOR ABUSE OF**
13 **CONTROL)**

14 84. Plaintiff incorporates by reference each of the preceding paragraphs
15 as though they were set forth in full herein.

16 85. The Individual Defendants' conduct, as alleged herein, constituted an
17 abuse of their control over Tekelec.

18 86. As a direct and proximate result of the Individual Defendants' abuse
19 of control, the Company has suffered, and will continue to suffer, damages for
20 which the Individual Defendants are liable. Plaintiff, moreover, has no adequate
21 remedy at law.

22 **COUNT V**
23 **(AGAINST THE INDIVIDUAL DEFENDANTS FOR**
24 **WASTE OF CORPORATE ASSETS)**

25 87. Plaintiff incorporates by reference each of the preceding paragraphs
26 as though they were set forth in full herein.

27 88. The Individual Defendants' conduct, as alleged herein, constituted a
28 waste of the corporate assets of Tekelec.

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PROOF OF SERVICE BY U.S. MAIL

I, the undersigned, say:

I am a citizen of the United States and am employed in the office of a member of the Bar of this Court. I am over the age of 18 and not a party to the within action. My business address is 1801 Avenue of the Stars, Suite 311, Los Angeles, California 90067.

On March 17, 2011, I caused to be served the following:

AMENDED SHAREHOLDER DERIVATIVE COMPLAINT

on the parties shown below via U.S. Mail by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Los Angeles, California.

SEE ATTACHED SERVICE LIST

Executed on March 17, 2011, at Los Angeles, California.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.



Harry H. Kharadjian

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